



**Office of the Attorney General  
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**NEWS RELEASE**

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**PHILLIP MORRIS TO MAKE SCHEDULED TOBACCO PAYMENTS AFTER ILLINOIS  
JUDGE REDUCES BOND**

Tobacco giant Philip Morris announced today that it will pay Tennessee and 51 other jurisdictions \$2.6 billion on Tuesday as part of the tobacco settlement.

The last minute decision came after the Madison County Illinois Court reduced the appeal bond from \$12 billion to approximately \$7 billion as a result of a \$10.1 billion judgement in favor of smokers.

"We are relieved the company found a way to fulfill its obligations to Tennessee and all the other states in this case," said Tennessee Attorney General Paul. G. Summers. "As a result, we do not have to deal with delays, which Tennessee could ill afford considering the current budget problems. We hope this is all behind us for now."

Lawyers for the nation's largest tobacco company recently warned the states that it may not be able to make its settlement payments if forced to post a \$12 billion bond.

As part of the settlement in 1998, tobacco companies agreed to pay the states more than \$206 billion over the next 25 years. Currently Philip Morris pays just over half of the annual payments.

Philip Morris's obligation for this April's payment totals \$2.6 billion of which Tennessee is getting an estimated \$63 million.